

New International Trade Crossing

They say one thing in Buffalo – another in Detroit – can you really believe what they are saying in Lansing?

Ambassador Bridge caught in a contradiction by the Windsor Star

Misinformation: *"Stamper said the DRIC is unnecessary as the Ambassador Bridge is nowhere near capacity..." MIRS April 30, 2010*

Here's what the Windsor Star says: *"In Windsor, the Morouns argue we don't need a second bridge because traffic is down sharply. They warn against believing foolish government projections that NAFTA will lead to future traffic growth. It won't ever come back, they claim.*

Down in Fort Erie, they say the opposite. The Peace Bridge carries half the traffic Windsor-Detroit does. But the Morouns claim there is plenty of traffic down there to support another crossing -- even though the region already boasts four international crossings with a total of 14 lanes to Windsor's total of six." – Windsor Star May 22, 2010

Peace Bridge Vs. Ambassador Bridge:

The Ambassador Bridge owner seem to be a lot more optimistic about the economic recovery for New York than they are about Michigan. The Peace Bridge between Fort Erie, Canada and Buffalo New York is over eighty years old and run down and undersized, just like the Ambassador Bridge.

There is an effort by the authority that runs the Peace Bridge to just build a new bridge right next to the old one. But the Ambassador Bridge Company wants to build a new one at a different location. On their web-site, they even attack the Peace Bridge supporters as being afraid of competition which they say, "does not serve in the best interests of the public."

Below is the entire Windsor Star article, which ran May of 2010. When you view the Ambassador Niagara site at www.ambassadorniagara.com it will be abundantly clear that the supporting documents read just like a brochure for the NITC. Of course, they are saying the exact opposite in Detroit.

It is sad that what the Ambassador Bridge people say depends on where they are saying it.

Vander Doelen: Bridge's claims contradict

<http://www.windsorstar.com/Vander+Doelen+Bridge+claims+contradict/3059452/story.html>

BY CHRIS VANDER DOELEN, THE WINDSOR STAR MAY 22, 2010

Of all the outsiders following the fight to get a new bridge built over the Detroit River, none were watching more closely this week than the citizens of Fort Erie, Ont., and Buffalo, N.Y.

The border cities at the other end of southern Ontario also share a crucial trade link between Canada and the U.S. -- the Peace Bridge over the Niagara River.

Just like us, Fort Erie and Buffalo have been through years of public debate over the creation of another crossing to compete with the publicly owned and managed one they already have.

Just like ours, the Peace Bridge is worn out because it's been hammered by heavy truck traffic for more than 80 years. It needs replacing anyway because it's too small at only three lanes, with plazas too cramped to handle growing truck traffic.

And just like here, the Moroun family of Detroit -- the same family which owns the Ambassador Bridge over the Detroit River -- is a central part of the debate.

The debate is almost identical in the two cities except for this fascinating fact: the Morouns and their companies play opposite roles in the two cities.

How different are the positions they take in each city? Try night and day, says Ron Rienas, general manager of the Peace Bridge. "You'd be amazed at what they say down here."

Rienas checked The Windsor Star's website this week to watch video of the news conference the Morouns held in Detroit this week. He contacted me after watching it.

"It was interesting watching Mr. (Matthew) Moroun on the video say one thing in Windsor-Detroit and the opposite here in Fort Erie-Buffalo," Rienas wrote. "Of particular interest is their assertion that DRIC will destroy the Ambassador Bridge."

In Windsor, the Morouns argue we don't need a second bridge because traffic is down sharply. They warn against believing foolish government projections that NAFTA will lead to future traffic growth. It won't ever come back, they claim.

Down in Fort Erie, they say the opposite. The Peace Bridge carries half the traffic Windsor-Detroit does. But the Morouns claim there is plenty of traffic down there to support another crossing -- even though the region already boasts four international crossings with a total of 14 lanes to Windsor's total of six.

On their Niagara website www.ambassadorniagara.com the Morouns glowingly cite Ontario government projections that truck traffic crossing the Niagara River will double by 2031 -- the same argument they reject at this end of the province.

"They're doing and saying things up there that make us say, 'Are they serious?' " Rienas told me by phone later. "Just compare what they say."

The Morouns claim they have already invested \$500 million to acquire property and build new approach ramps to their planned second span over the Detroit River. The span itself will cost an additional \$400 million, they say.

In Fort Erie they claim they can built a brand new, five-mile-long approach parkway to their new bridge, two new customs plazas AND a brand new mile-long bridge for the grand total of \$250 million to \$300 million.

That amount of money wouldn't even buy one new plaza at this end of the province. Yet land acquisition and construction costs aren't much different at either end of the province.

"It's totally illogical," Rienas says, chuckling at the chutzpah of the conflicting claims.

"The whole project, the whole thing, highway and plazas and everything for that amount? Yeah, right."

One thing is the same at both ends of the province: The Morouns have been told in writing that their proposals do not come close to meeting either U.S. or Canadian

planning requirements. They haven't done the work.

"Appropriate consultations ... do not appear to have been carried out, and ... it is not clear that the proposed inspection plaza meets appropriate standards," Edwin R. Nolan, director of the U.S. State Department's Office of Canadian Affairs, wrote to the Ambassador Bridge people in 2008 of their Niagara plans.

Nolan went on to describe the Moroun's Niagara application as "incomplete," having "serious deficiencies.

"We remain prepared to review any substantially complete application, if and when it is submitted."

That's where their plan for a new bridge over the Niagara River remains: In limbo.

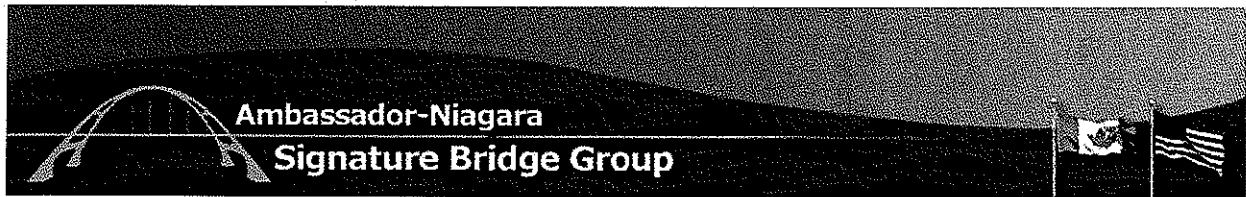
Let's hope the Michigan Republicans who continue to block the DRIC bridge know this. They might not be so eager to block our new crossing if they knew the Morouns were telling different tales in different states.

cvanderdoelen@thestar.canwest.com or 519-255-685

Read more:

<http://www.windsorstar.com/Vander+Doelen+Bridge+claims+contradict/3059452/story.html#ixzz0ou0DQBrU>

**All this information and more can be accessed at:
NewInternationalTradeCrossing.com**



About Us

The Ambassador Niagara Signature Bridge Group (Ambassador Niagara) is a subsidiary of the Detroit International Bridge Company and Canadian Transit Company, a privately held bi-national company with decades of international transit expertise. We own and operate the Ambassador Bridge, the #1 international bridge crossing in North America.

We were invited to the Niagara Peninsula / Western New York Region in 1999, at the request of the Public Consensus Review Panel, a citizen review panel investigating the feasibility of an additional international crossing. After a preliminary investigation, we determined that this region houses a potentially successful trade corridor.

That same year, we established the Ambassador Niagara Signature Bridge Group offices in Buffalo, New York, to further develop the project. Led by James B. Kane, who headed the Western New York regional office of the late U.S. Senator Daniel Patrick Moynihan, Ambassador Niagara has spent the past six years working to make this project a reality.

Ambassador-Niagara

Signature Bridge Group

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Project Benefits

The project provides numerous benefits to people of the region, including:

- A second crossing in a region that is in desperate need of more choices
- Shorter duration border crossings
- Elimination of the truck backups on the QEW, the I-190 and local streets around Front Park in Buffalo and Mather Park in Fort Erie
- No residential relocations
- Private sector funding
- High quality jobs to support the construction, maintenance and operation of the new facility
- Strategic location to capture additional economic benefits and jobs through intermodal trade opportunities
- Relocation of trucks to an industrial rail corridor that is a more appropriate route for international trade
- Reuse of existing brownfields
- The addition of hundreds of acres of property to the tax rolls
- Repositions the Peace Bridge as the gateway and "front door" between Canada and the United States rather than the "loading dock"
- Provides redundancy to the existing infrastructure
- Helps to insure the free flow of trade between Canada and the United States
- Can be a catalyst to the implementation of numerous interrelated projects
- Can be the economic engine that helps the revitalization of the region's economy



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Historic Neighborhood in Buffalo Threatened by Peace Bridge Expansion Plan

by National Trust for Historic Preservation on November 19th, 2008

This week, Buffalo's preservationists got a big boost from a lavish *New York Times* spread celebrating the city's architecture. Critic Nicolai Ouroussoff concluded that the city had a rare opportunity to use its historic neighborhoods and restored landmarks as potent tools for Buffalo's economic recovery.



Neighbors gather at a sign protesting the bridge expansion. (Photo: Lauren Tent)

The *Times*' validation is rewarding and useful, but it is also timely. Named both to our 2008 list of America's 11 Most Endangered Places, and to the Preservation League of New York State's Seven to Save list, the residential area adjacent to the Peace Bridge remains under threat of needless, large-scale demolition for a massive transportation and security project.

The Peace Bridge crosses the US-Canada border at the Niagara River, entering Buffalo in the historic Prospect Hill neighborhood situated around Frederick Law Olmsted's Front and Columbus Parks.

Local leaders' vision of adding a new signature bridge as a gateway to the city -- and the goals of improving transportation and border security -- could be accomplished in a range of ways, locations, and configurations. Instead, these goals hardened into the Public Bridge Authority's plan to add a new bridge alongside the old one, and expand the border entry plaza currently at the bridge deep into this neighborhood.

In the tree-lined blocks of homes dating largely from 1850 through the mid-20th century, some houses are modest and some are grand. Most are tidy, some are vacant. Overall, the neighborhood is stable and remarkably strong in the face of uncertainty. The Public Bridge Authority itself acquired several significant houses in the area over the years. Unmaintained, they are a demoralizing, inescapable reminder of the residents' predicament. In a Rust Belt city struggling with real vacancy problems, it would be particularly wasteful to damage this viable neighborhood.



A family enjoys a walk in the neighborhood. (Photo: Lauren Tent)

With massive truck lots, a new Duty-Free shop, visitor's center, and parking structures, the current plan for the plaza would cover nearly 40 acres. To clear this land, over 80 houses would be demolished, including a number of National Register-designated and -eligible properties, and scores of families would be displaced. Those parts of the neighborhood that would remain -- including a whole National Register-eligible Historic District -- would lose their livability, context, and much of their significance.

Federal preservation review and public consultation is underway (both Transportation Act 4(F) and National Historic Preservation Act Section 106), with the active participation of the National Trust for Historic Preservation, the Preservation League, the dedicated neighborhood group, and local preservationists.

So far, the Public Bridge Authority has made small revisions that may change the image people have of the project, but would not appreciably change its impact.

The city Common Council president and members representing affected areas have been particularly strong in focusing on this threat and the inadequacy of the process to this point. For better or worse, though, the city and state administrations, as well as federal agencies, the Public Bridge Authority, and even the Canadian government all have roles in how (and whether) this project proceeds as proposed.

The National Trust for Historic Preservation chose Buffalo as the site of the 2011 National Preservation Conference because we were dazzled by the same thing Nicolai Ouroussoff saw -- the richness in Buffalo's landmarks, neighborhoods, and the great landscapes in between.

Buffalo's citizens have embraced its astounding landmarks; the Peace Bridge project is now testing the depth of their commitment to neighborhood preservation. It can be tough to accept how easily historic neighborhoods can be broken, and to realize how much is lost when that happens. But the grace, cohesiveness, and quality of its historic neighborhoods -- including the one near the Peace Bridge -- are among Buffalo's greatest strengths and best assets.

— Roberta Lane

Roberta Lane is a program officer & regional attorney in the National Trust for Historic Preservation's Northeast Office.



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DRIC finances revisited - comeback to the bridge company sponsored Conway report

TOLLROADSnews

The Conway report declaring a new Detroit River or DRIC bridge financially non-viable has a bunch of questionable assumptions, according to a thoughtful analyst in Detroit (Analyst) who follows this project closely, but can't be identified. The first Conway error he asserts is inflating the capital structure to be serviced by tolls with items never intended to be toll-financed - the biggest being the Windsor-Essex Parkway, a \$1.6b, 7 mile, 11km approach road for the bridge on the Canadian side.

The Parkway's sole rationale is connecting the DRIC bridge plaza to the H401 and EC Row expressways. Its financing is something of a mystery but apparently Canadian taxpayers are footing the considerable Parkway bills under an availability payments contract quite independent of the bridge itself. That takes away about half of the capital liability that the Conway report attributed to the DRIC bridge project.

Our Analyst puts the concessionaire capital requirement at \$501.6m for the US portion of the bridge plus the immediate approaches. That apparently leaves out the cost of the US Customs Plaza (\$150m) and the GSA border inspection plaza (\$236.6m) and the cost of the multi-level interchange with I-75 (\$385.9m). The Canadians have said they will finance Michigan capital costs of \$550m which they will also recover from the revenues of the bridge.

The Canadian portion of the bridge plus immediate approaches are costed by the Analyst at \$447.5m omitting \$387.6m for the Canadian toll plaza.

Our Analyst therefore puts the capital costs to be carried by the toll concession at \$949.1m versus the Conway report's \$3,536.2m. That \$949.1m is just 27% of the total capital costs attributed by Conway to the project.

At a capitalization hardly more than a quarter of that assumed in the Conway report of course the financial viability of the project looks quite different.

The Analyst uses the Wilbur Smith Associates (WSA) traffic and revenue projections which start close to the Halcrow numbers used by Conway but grow at about half their pace. WSA tolls go from \$70m in 2016 to \$204m in 2036, whereas the Halcrow numbers go from \$63m to \$132m in 2035, almost the same 20 year period.

We've picked a couple of the scenarios he ran calculations with - both 100% longterm bond financing.

20% or 30% equity would obviously reduce risks in the early years and add flexibility. Instead the Analyst alleviates the burden in the early years a little with interest-only payments in the first ten years of the bond.

See table nearby for 2016, 2026 and 2036 \$'s.

He writes: "Under this scenario, the NITC project would be financially viable in the first year of operation for any interest rate under 6.35%."

Of course under the WSA projections it gets very profitable in future decades. With the Halcrow traffic and revenue projections it starts off in the red and slowly gets itself into the black.

The Analyst looks at how the Canadians might recover their upfront contribution of \$550m they've offered to take Michigan off the hook for the interchange and approach costs. He assumes their debt is "subordinated" - they only get paid once the primary lender is looked after. But in his scenarios there are no difficulties repaying the Canadian contribution - interest needs to be capitalized for only about the first five years.

COMMENT: the financial viability of the project depends on

- governments (taxpayers) carrying the costs of everything except the \$0.99b of the bridge proper, some \$2.55b or 73% of total costs of \$3.54b
- the higher Wilbur Smith traffic and revenue forecasts being realized as opposed to the more modest Halcrow forecasts

It's the Canads who are "on the hook"

Actually the people paying most heavily for this project and those most at risk will be Canadian taxpayers. They'd be somewhat less badly treated if there were tolls on the Windsor Essex Parkway, the project's biggest extravagance.

Given the amounts of money the Canadians are putting up you have to wonder why the project even has Michigan as a partner. It would be a lot simpler if the US just let the Canadians do the whole project.

The Canadian consul in Detroit, Roy Norton keeps telling Michiganians they "don't have a penny at risk." The best way to ensure that result would be to let Canada handle the whole thing - all the way from the I-75 ramps to the H401.

TERMINOLOGY: Annoying has been a move by the new Michigan administration of Gov Snyder to change the official name of the DRIC for Detroit River International Crossing to NITC for New International Trade Crossing, substituting one blandly non-memorable acronym for another blandly non-memorable acronym.

The old term at least had the virtue of familiarity. Plus it had the location - Detroit River - in its title, whereas the NITC could be anywhere on a border.

We'll stick with the old familiar name DRIC for now.

As for the people of Michigan we're not sure if they are Michiganians, Michiganese, or Michiganites.

Judge orders Bridge Co.'s Stamper to appear for contempt hearing

**BY JOHN GALLAGHER
DETROIT FREE PRESS BUSINESS WRITER**

A judge has ordered the president of businessman Manuel (Matty) Moroun's Ambassador Bridge company to personally appear before him next month to face a contempt of court hearing.

Dan Stamper, president of Moroun's Detroit International Bridge Co., must appear before Wayne County Circuit Judge Prentis Edwards on July 7.

In January, Edwards jailed Stamper for a few hours because of the bridge company's failure to carry out Edwards' February 2010 order to rebuild the approaches to the Ambassador Bridge as demanded by the Michigan Department of Transportation.

Last week at a follow-up hearing, Edwards expressed concern that five months after jailing Stamper, there still appeared to be little or no evidence that the bridge company was complying with his order. MDOT attorneys last week asked Edwards to impose penalties of \$100,000 a day on the bridge company. Edwards deferred until the July hearing.

The dispute stems from the \$230-million Gateway project, a joint effort by MDOT and Moroun's company to connect the Ambassador Bridge seamlessly to I-75 and I-96 through a series of ramps.

Instead of following what MDOT contends was the agreed-upon design, the bridge company built its portion of the project in a way that keeps trucks on Fort and other local streets and built a lucrative duty-free store and fuel pumps where Gateway ramps were supposed to go.

MDOT sued to force the company to rebuild the approaches according to the agreed-upon plan. In February 2010, Edwards ruled in MDOT's favor and ordered the bridge company to rebuild its portion of the project, even if that meant ripping out part of the duty-free facility.

The bridge company contends that any changes it made to the design were minor and permitted under its contract with MDOT.

A message seeking comment was left for Stamper.

How Do Truckers Feel About A Second International Bridge Crossing?

Ron Dewey

DETROIT (WWJ) – How do you feel about a second bridge between Detroit and Windsor? State lawmakers are getting ready for a hearing Wednesday on the controversial idea.

Governor Rick Snyder supports the project, which is estimated to cost \$4 billion for the bridge, customs plazas and connecting roadwork on both sides of the river.

What do truckers think about a second Detroit-Windsor bridge? WWJ's Ron Dewey interviewed some to find out. Ron reports that trucker Vincent DeLorenzo of St. Clair Shores also has a nephew, who's a trucker, hauling steel across the border every day.

"The waits are unreal," DeLorenzo said. "You know, you're in line sometimes up to four or five or six hours."

A downriver trucker, John Akins, says if they do anything with a second bridge, design the layout to make a quicker trip from one side to the other.

"With Homeland Security and stuff, it's so complicated," Akins said. "Pretty much, I just take what I can get. Get across as fast as I can."

Both agree that there should be some level of public ownership in a second bridge.

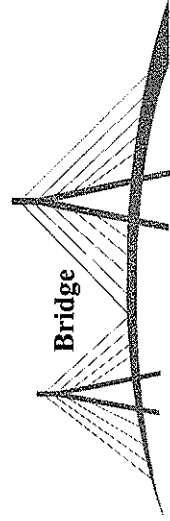
Meanwhile, the debate continues. In April of this year, Oakland County Executive L. Brooks Patterson said the state is running out of time to settle the bridge debate.

And, just last week, residents of a southwest Detroit neighborhood received bogus eviction notices telling them their property could be taken by the state to build a new bridge.

WWJ Newsradio 950 and CBS Detroit.com will provide continuing coverage of the bridge debate.

New International Trade Crossing Financial Arrangements under a Public-Private Partnership (P3)

Project Component Costs and Funding Sources



I-75 I/Change

US Customs Plaza

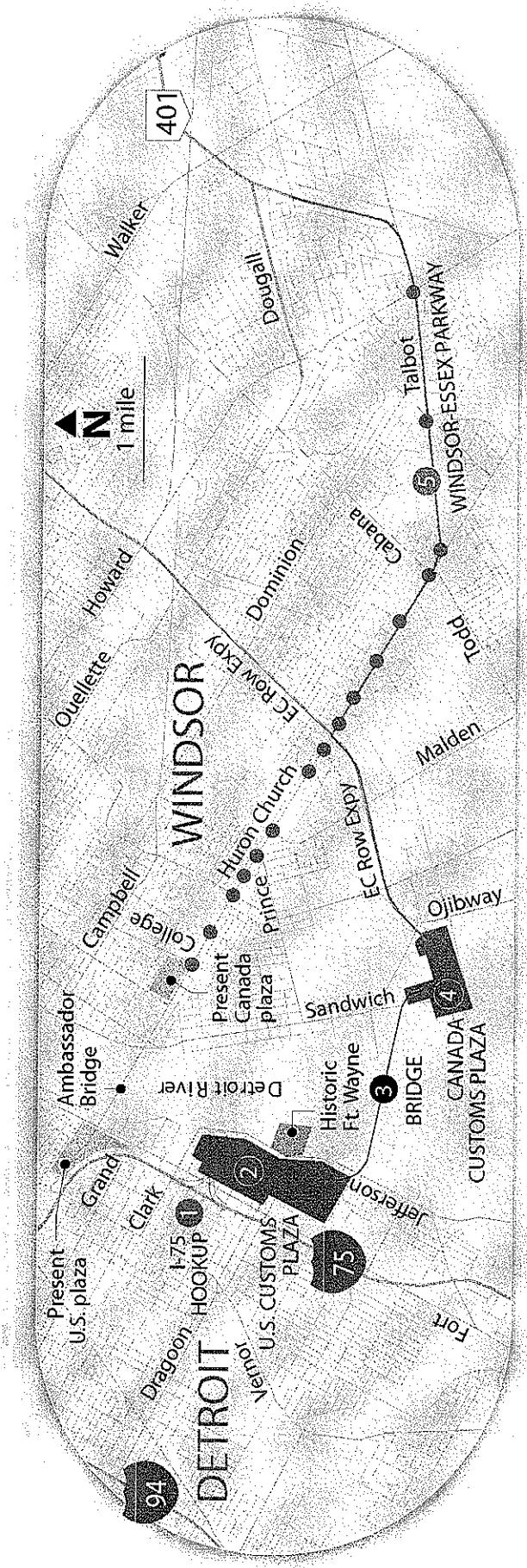
Canadian
Customs Plaza

Windsor Essex
Parkway

Net Cost * (\$Millions)	385.9	413.6	949.1	387.6	1,670
Michigan/ FHWA*	0	0	0	0	0
GSA	0	263.6	0	0	0
Canada	385.9	150.0	0	387.6	1,670
P3 Partner	0	0	949.1	0	0

New International Trade Crossing

Proposed Bridge Location



- 1 I-75 HOOKUP
- 2 U.S. CUSTOMS PLAZA
- 3 New International Trade Crossing
- 4 Canada Customs Plaza
- 5 Windsor-Essex Parkway